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The Board of Directors (the "Board") of [Sunshine Oilsands Ltd.](#) (the "Corporation" or "Sunshine") (HKEX:2012) is pleased to announce the following:

EXTENSION OF FORBEARANCE WITH NOTEHOLDERS

Reference is made to the announcements of the Corporation dated August 5, 2014, August 8, 2014 and February 5, 2016 (all Hong Kong time) in relation to, among other things, the offering of US\$200 million principal amount of senior secured notes (the "Notes"). Reference is also made to the announcements of the Corporation dated August 1, 2016, August 12, 2016, August 17, 2016 and August 29, 2016 (all Hong Kong time) in relation to, among other things, the forbearance agreements the Corporation has entered into with the holders of the Notes (the "Noteholders").

The Corporation and Noteholders representing at least 94% of the outstanding Notes have agreed to extend the forbearance period pursuant to a further forbearance arrangement. As a result of this extension, each of the Noteholders that are party to the forbearance agreement have agreed not to enforce its rights in respect of the Notes prior to 6:00 p.m. (New York time) on September 9, 2016, subject to certain restrictions, in order to provide the Corporation and the Noteholders with additional time to finalize definitive documentation effecting, among other things, an extension of the maturity date of the indebtedness owed to the Noteholders to August 1, 2017. The Corporation is not aware that the Noteholders that are not a party to the forbearance agreement intend to enforce their rights in respect of the Notes.

The expected principal terms of the definitive documentation remain as described in the Corporation's August 1, 2016 (Hong Kong time) announcement. The Board believes the anticipated terms of the definitive documents and the extension of the forbearance arrangement are in the best interests of the Corporation and its shareholders as a whole as the agreement will provide the Corporation with additional time to repay or refinance the indebtedness owed to the Noteholders under the Notes.

The Corporation will provide further updates to the negotiation and completion of the definitive documentation as necessary.

ABOUT SUNSHINE OILSANDS LTD.

The Corporation is a Calgary based public corporation listed on the Hong Kong Stock Exchange since March 1, 2012. The Corporation is focused on the development of its significant holdings of oil sands leases in the Athabasca oil sands region. The Corporation owns interests in approximately one million acres of oil sands and petroleum and natural gas leases in the Athabasca region. The Corporation is currently focused on executing milestone undertakings in the West Ells project area. West Ells has an initial production target rate of 5,000 barrels per day.

FORWARD-LOOKING INFORMATION

This announcement contains forward-looking information relating to, among other things, (a) the negotiation and entering into of definitive documentation relating to the extension of the indebtedness under the Notes; and (b) the plans and expectations of the Corporation. Such forward-looking information is subject to various risks, uncertainties and other factors. All statements other than statements and information of historical fact are forward-looking statements. The use of words such as "estimate", "forecast", "expect", "project", "plan", "target", "vision", "goal", "outlook", "may", "will", "should", "believe", "intend", "anticipate", "potential", and similar expressions are intended to identify forward-looking statements. Forward-looking statements are based on Sunshine's experience, current beliefs, assumptions, information and perception of historical trends available to Sunshine, and are subject to a variety of risks and uncertainties including, but not limited to those associated with resource definition and expected reserves and contingent and prospective resources estimates, unanticipated costs and expenses, regulatory approval, fluctuating oil and gas prices, expected future production, the ability to access sufficient capital to finance future development and credit risks, changes in Alberta's regulatory framework, including changes to regulatory approval process and land-use designations, royalty, tax, environmental, greenhouse gas, carbon and other laws or regulations and the impact thereof and the costs associated with compliance. Although Sunshine believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the assumptions and factors discussed in this announcement are not exhaustive and readers are not to place undue reliance on forward-looking statements as the Corporation's actual results may differ materially from those expressed or implied. Sunshine disclaims any intention or obligation to update or revise any forward-looking statements as a result of new information, future events or otherwise, subsequent to the date of this announcement, except as required under applicable securities legislation. The forward-looking statements speak only as of the date of this announcement and are expressly qualified by these cautionary statements. Readers are cautioned that the foregoing lists are not exhaustive and are made as at the date hereof. For a full discussion of the Corporation's material risk factors, see the Corporation's annual information form for the year ended December 31, 2015 and risk factors described in other documents we file from time to time with securities regulatory authorities, all of which are available on the Hong Kong Stock Exchange at www.hkexnews.hk, on the SEDAR website at www.sedar.com or on the Corporation's website at www.sunshineoilsands.com.

This announcement is made in accordance with the Inside Information Provision under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

By Order of the Board of [Sunshine Oilsands Ltd.](#)

Sun Kwok Ping, *Executive Chairman*

As at the date of this announcement, the Board consists of Mr. Kwok Ping Sun, Mr. Hong Luo, Dr. Qi Jiang and Mr. Qiping Men as executive directors; Mr. Michael John Hibberd, Mr. Jianzhong Chen and Ms. Xijuan Jiang as non-executive directors; and Mr. Raymond Shengti Fong, Mr. Gerald Franklin Stevenson, Ms. Joanne Yan and Mr. Yi He as independent non-executive directors.

** For identification purposes only*

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This release may not be distributed in or into the United States. This release is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration. The Corporation has not registered and will not register the Shares under the US Securities Act of 1933, as amended. The Corporation does not intend to engage in a public offering of Shares in the United States.

Contact

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